

A bill for an act

relating to taxation; providing a sales tax exemption for construction materials for new and expanding businesses in St. Charles; authorizing the city of St. Charles to create a tax increment financing district subject to certain rules; amending Minnesota Statutes 2009 Supplement, section 297A.71, subdivision 41.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2009 Supplement, section 297A.71, subdivision 41, is amended to read:

Subd. 41. **Construction materials; ~~meat processing facility~~ St. Charles businesses.** Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of a ~~meat processing facility~~ new or expanding businesses in St. Charles are exempt. ~~This facility~~ To qualify for the exemption, a business must be constructed to replace a meat processing facility destroyed in a fire in April 2009, that employed more than 200 employees at the time of the destruction, create a minimum of five full-time equivalent jobs or increase its workforce by 20 percent, whichever is greater. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded after June 30, 2011, in the manner provided in section 297A.75.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2010, and before July 1, 2015.

Sec. 2. **CITY OF ST. CHARLES.**

The governing body of the city of St. Charles may create an economic development tax increment financing district and use tax increment from the district without regard to the limitations in Minnesota Statutes, section 469.176, subdivision 4c. Tax increments

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- 2.1 from the district may be used to provide for building materials and equipment that provide
2.2 energy efficiencies to new business facilities located in the district.
- 2.3 **EFFECTIVE DATE.** This section is effective upon approval by the governing body
2.4 of the city of St. Charles and compliance by the city with Minnesota Statutes, section
2.5 645.021, subdivision 3.